

**VERMONT RAIL COUNCIL
MINUTES OF MEETING
5TH FLOOR BOARD ROOM
NATIONAL LIFE BUILDING
MONTPELIER, VERMONT
August 24, 2005**

MEMBERS PRESENT: Sam Lewis, Chairperson

Dave Wulfson	George Barrett
Richard Moulton	Erik Bohn
William McCormick	Paul Guare
Mike Coates	Rep. Albert "Sonny" Audette
Bob Stannard	Gina Campoli

OTHERS PRESENT: Dawn Terrill, VTrans Secretary of Transportation
David Dill, VTrans Deputy Secretary of Transportation
Charlie Miller, VTrans Rail Operations Section
Nancy Rice, VTrans Rail Operations Section
Brad Worthen, Vermont Rail Link
Chris Andreasson, Vermont Transit Co., Inc.
Anthony Otis, Railroad Association of Vermont
Ken Pidgeon, Engineers Construction, Inc.
Peter Clavelle, Mayor of City of Burlington
Sen. Hull Maynard, Legislature
J. Jeff Munger, Sen. Jeffords Office
Matt Sternberg, RRA
Steve Halloran, Edwards and Kelcey
Paul Boisvenue, St. Lawrence & Atlantic Railroad
Robert Grossman, St. Lawrence & Atlantic Railroad
Neil Schickner, Joint Fiscal Office

1. Call to Order and Approval of Minutes

Sam Lewis called the meeting to order at 1:10 p.m. Introductions were made. Mr. Lewis noted an update on the Bellows Falls tunnel project will be given before the report on the Federal Transportation Reauthorization.

Approval of June 22, 2005 Minutes

MOTION by Mike Coates, SECOND by Rick Moulton, to approve the minutes of 6/22/05 with the correction to the title of the rail division to "Rail Operations Section". VOTING: unanimous; motion carried.

2. Bellows Falls Tunnel Project Progress Report

Ken Pidgeon, ECI, gave an update on the Bellows Falls tunnel project to increase clearance to allow auto rack and double stack rail cars. Mr. Pidgeon reviewed the parties involved/affected (utilities, railroads, town sewer plant), the project schedule, and work

tasks (grading, tunnel modifications, raising the north portal, bridge modifications, stabilizing retaining walls, undercutting track resurfacing, modification to Mill Street, building inventory). Mr. Pidgeon stated it is believed the track is at 286,000 pound capacity; deficiencies will be addressed. Overall input from the town regarding the project has been positive. Meetings, communications, and much work will be done in the next weeks. There is a \$2 million federal earmark and \$700,000 in state matching funds for the project.

3. Federal Transportation Reauthorization Bill

Sam Lewis reported the State of Vermont will receive an average of \$70 million with the current Federal Transportation Reauthorization bill. The state must provide \$13 million in matching funds in addition to what is provided in matching funds currently. There will still be a shortfall to meet all the needs in the state, but the shortfall will be decreased. Earmarks include high priority earmarks (\$138 million over five years), funding for transportation improvement projects (\$120 million over five years above the appropriation), and the bridge set aside program (\$50 million over four years). There are 30 high priority projects (approximately 20% of the \$138 million will be available to the State of Vermont meaning \$27 million can be spent each year at an 80 federal/20 state funding match). Examples of high priority projects include Lamoille Valley rail/trail, US 2 in Danville, fiber optic, Church Street, I-91, Swanton bridge. There are 16 projects in the Transportation Improvement Program, including bridges, the So. Burlington city center, intermodal centers, the western rail corridor, and the Bennington Welcome Center. Federal money is available at 10% in 2005, 20% in 2006, and 25% in 2007. Additional state funding totaling \$4.5 million is needed for the projects on the Transportation Improvement list. Mr. Lewis reviewed the bridge set aside program (Mississquoi Bridge) and other projects, such as the Brattleboro intermodal center, CCTA bus facility and equipment, UVM transportation center, and the Northeast Transportation Institute. Matching the federal funds is the main challenge facing Vermont along with other challenges such as the performance of the Transportation Fund, fuel costs, and increasing costs.

Mr. Lewis reviewed the federal transportation bill relative to rail, noting the word "planning" has been substituted for "development" in Section 9001 so the high speed rail corridor project can progress. The funding will allow for rail line and bridge improvements, the rehab and improvement project (loan program), and high priority earmarks (at an 80/20 match) such as GMRR bridges, ABRB, Rutland rail yard, Middlebury spur, Bellows Falls tunnel, St. Lawrence and Atlantic railroad upgrades, and the Bethel bridge. With the high priority projects, the money remains until expended unlike funds that sunset for other projects. Some funds are specified for certain projects (i.e. the Mississquoi Bridge) and only Congress can change the funding track. The funding covers roundabouts and signals as well. Sam Lewis stated long term financing and scheduling will be discussed. How to pay for projects will be determined by the Legislature. Dawn Terrill explained VTrans is doing a 10 year plan which is not yet complete, however, a five year plan will be done for the current transportation bill. Rick Moulton asked if the Rail Council will view the prioritization of projects (when/how) before the next legislative session. It was reiterated that VTrans is working on a plan. The

Rail Infrastructure Committee will address rail priorities. The apportionment of an average of \$70 million/year to be received by the state will increase each year, starting with a lower amount received in the early years and an increased amount thereafter. These factors will help prioritize the work. Paul Guare mentioned going out for bonds to finance projects. There was further discussion and comment on the need for the funds to complete projects or for badly needed maintenance to the transportation system in the state.

4. Rail Infrastructure Subcommittee Update

Chris Andreasson briefed the Rail Council on the recent meeting of the Rail Infrastructure Subcommittee. The priority list starts with rail improvements from Florence to Brattleboro. The money for Green Mountain Railroad (\$2.5 million) will only maintain the existing situation. To bring the track up to 286,000 pound capacity from Rutland to Brattleboro will cost \$20 million. Local match money for the Middlebury spur project will be provided by OMYA. There is \$30 million for the western rail corridor. Some of that money could be used for the Middlebury spur project or money from the rail improvement fund (RIF) could be used. There is \$9 million from the Federal Transportation Agency for commuter rail on the western corridor, making \$39 million for projects on the western corridor. Money (\$9 million) for the section from Florence to Brattleboro will be used to bring five bridges up to 286,000 pound capacity. Funding for the improvements on the St. Lawrence and Atlantic Railroad (\$5 million) is in place. The railroad is doing the local match. The remaining rail projects will be funded in years 2, 3, and 4 of the federal appropriation.

The recommendations for the segments on the ABRB project were reviewed. The Infrastructure Subcommittee feels \$10 million out of the \$39 million for the corridor should be made available for the Rutland rail yard. The Middlebury spur should be fully funded. The segment from Burlington to Essex (\$1.5 million) should be done so the wood chip plant can be served by rail. Florence to Rutland track improvements will cost \$3 million and should be covered. With the projects covered as noted, there will be \$7.5 million remaining (of the \$39 million available). A further recommendation is to support use of this money to upgrade the rail north of Florence. The local match for the project (Florence to Rutland) amounts to \$1.3 million. It was noted the federal transportation money is for roadwork on Route 7, not the Middlebury rail spur. Matt Sternberg clarified OMYA is paying for the improvements at the plant to receive shipment by rail. The highway improvements are being paid by FHWA funds. Application for RIF loans for rail improvements is being made. The loans will be settled with user fees from OMYA and the railroads.

Rick Moulton asked if how the prioritization of the ABRB-E project(s) impacts funding being available. Sam Lewis acknowledged there will be a delicate balance with the high priority program.

Bob Stannard commented on the lack of effort toward restoration of the Manchester to Rutland section of rail. Charlie Miller pointed out there is \$3 million for projects in the planning stage or in the budget this year. Dave Wulfson stated passenger rail versus

freight needs were debated by the Infrastructure Subcommittee. There is money for the ABRB corridor, and part of that corridor is the section from Rutland to Manchester. The Infrastructure Subcommittee was prioritizing based on today's needs. There is a limited source of funds on hand. The Rail Council needs to discuss whether the money should be used for rail improvements in Burlington or Manchester. It must be confirmed Amtrak will come to Burlington if the track is in place because it is difficult to justify spending money on track with limited use when there are serious needs in other places, stated Mr. Wulfson. The Rail Council needs to give the Infrastructure Subcommittee direction on where the money for the ABRB-E corridor should be spent. Bob Stannard interjected a major investment has been made in the southern leg of the western rail corridor, and this project should either be finished to accommodate the Ethan Allen Express or abandoned. There will be no incentive to connect the southern half of the western corridor once passenger rail connects from Rutland to Burlington, observed Mr. Stannard. It was reported Amtrak will be providing information (preliminary numbers) regarding connection to Burlington. Alternatives to Amtrak service are being researched by a consultant. The Rail Council will be kept informed.

The Infrastructure Subcommittee will submit a more formal written report with recommendations for use of the \$39 million in funding. Paul Guare observed it appears there are two plans: VTrans and the Infrastructure Subcommittee. There is question if both can fit. Sam Lewis pointed out historically VTrans has not released a budget recommendation in deference to the Governor who makes recommendations to the Legislature. Information and recommendations will be considered though. The Rail Council will review and comment on the report and recommendations from the Infrastructure Subcommittee.

Burlington Mayor, Peter Clavelle, asked to what extent over the next five years there will be state investment in rail over and above the match for the \$30 million federal earmark necessary to release federal funds. Sam Lewis stated a "Rail Authority" might have better access to funds than the state itself. There have been discussions about establishing a rail authority. Dawn Terrill stated there are several pressure points: funding as in the past (not substantial state funding), additional investment in rail (new money, state money), and unmet need, rail and bridge programs. Of the average of \$70 million/year, over \$60 million is earmarked, but a number of earmarks address projects in the state-funded list so there will be some discretionary funds. Most of the highway money is not flexible to allow spending on rail projects. Charlie Miller interjected there may be other areas in the funding with rail opportunity.

Robert Grossman asked about the border program. Sam Lewis explained \$220 million nationally is allocated for 14 border states. The distribution formula is the same as for highway freight.

5. Rail Project Update

Charlie Miller provided the Rail Council with a list of rail projects for FY06. This year the rail crossing program is centered in the Pownell area. Work on the environmental

impact statement continues with the Middlebury spur project. A report will be forthcoming.

Dave Wulfson noted the five bridges in the FY06 project list are the same bridges covered by the \$9 million referred to by the Infrastructure Subcommittee to be done in FY07 and FY08.

It was suggested the project list include columns showing the amount budgeted for the project and the amount spent to date.

6. Amtrak Update

Nancy Rice reported on Amtrak annual ridership on the Vermonter and Ethan Allen Express for 2004 and 2005. Ridership on the Vermonter in 2004 was 61,431 riders and 54,687 riders in 2005. Ridership on the Ethan Allen Express in 2004 was 37,966 riders and 38,920 riders in 2005. New marketing plans and promotions are being created to support passenger train service in Vermont. Improvements are being made to the Fair Haven train station (lighting, landscaping, information kiosk). Charlie Miller noted the ridership on the bus from St. Albans to Montreal has helped boost Amtrak ridership on the Vermonter. Vermont residents are using Amtrak to go to Montreal. Chris Andreasson stated Vermont Transit will try to maintain bus service from St. Albans to Montreal. Summertime traffic was good, but if the numbers decrease in September, the service will be revisited.

7. State Rail Plan Update

Nancy Rice reported discussions with the consultant working on the plan update have been held regarding drafting a performance based plan. If the current consultant can not do this, then a new consultant will be sought. Most of the work is complete, and a presentation to the Legislature in 2006 is still planned. The Rail Council will be kept informed. Mike Coates expressed concern about "starting over" with a new consultant. Ms. Rice briefly explained the approach to work with the current consultant, draft a scope of work for the new consultant (if necessary), and to use in-house staff as much as possible to do the work.

8. Vermont Rail Authority Summer Study Update

Sam Lewis reported two meetings of the summer study group have been held to date. The group worked on getting a consensus on the information to be discussed. At the meetings, presentations were heard on bonding (Jeb Spaulding), public/private partnerships (Matt Sternberg), budget (staffing, projects), how to compare projects done under the state system versus under a rail authority (needs legislative approval). Rick Moulton noted Jeb Spaulding in his discussion about bonding, revenue sharing, and borrowing based on state assets felt \$30 million was a low figure for rail scrap value and real estate equity. Mr. Moulton stressed if the state does not have 286,000 pound rail capacity, then the system will not work. Mike Coates commented the State of Virginia did a rail authority study and found a revenue stream for the rail authority is needed (one option is user fees). The benefits of a rail authority need to be identified and presented to the Legislature. The benefits include cost savings and revenue to the state. Paul Guare suggested the existing

law be amended to allow creation of a rail authority. Mr. Guare felt rail should be separate from VTrans. Sam Lewis noted the Vermont Transportation Authority is still in place with the caveat of a report to the Legislature to determine if a rail authority should be created. Rep. Sonny Audette explained the Legislature did not create a rail authority, but did create a study committee to determine if there should be a rail authority.

9. Lamoille Valley Railroad Salvage Project

Charlie Miller reported as of 8/3/05 there has been 83 miles of rail removed (80% of the task) and 26 miles of rail hauled from the site (29% of the task). Seventeen miles of OTM have been hauled off-site. Removal of the ties is 60% complete. Grade crossings are in progress (town roads and gravel roads are done). There are 15 state crossings on paved roads remaining to be done. This work is expected to be complete by the end of the year. Rep. Audette asked if the washouts on the line are repaired. Charlie Miller stated the vast majority of the rail will be salvaged. VAST received an earmark as part of the reauthorization bill which will be used to do a four season trail. VAST is currently working on a lease for the land and plans to stabilize the trail.

10. Vermont Rail Day Report

Rick Moulton reported on the partnership of Vermont Rail Day with the Village of Essex Junction during the Annual Essex Junction Block Party for a successful Vermont Rail Day. Thousands of people were in attendance. Two trains were available, one originating from St. Albans and one originating from Montpelier. Attendees included the Lt. Governor, Speaker of the House, and the Rail Advocate of the Year (for 2005, Jim Murphy, retired dispatcher and rail historian, was nominated). Next year's rail day will be held in Bellows Falls to celebrate the new tunnel.

11. Other Business

Thanks to Senators Jeffords and Leahy

MOTION by Paul Guare, SECOND by Sonny Audette, that the Rail Council send a letter of thanks and recognition to the Congressional delegation for their efforts in bringing much needed rail funding to the State of Vermont. VOTING: unanimous; motion carried.

Support for Rail

Announcement was made that the Lake Champlain Regional Chamber of Commerce and the GBIC Transportation Subcommittee have made a strong statement of support for rail (freight and passenger)

Joint Meeting of Advisory Councils

September 28, 2005, 1 p.m. – 4 p.m., Montpelier, is the joint meeting of the Rail, Aviation, Public Transportation, and Operations Advisory Councils.

12. Next Rail Council Meeting and Agenda Items

Next Meeting: October 26, 2005, 1 p.m. – 4 p.m., National Life Building, Montpelier.

Agenda Items:

-Report and Recommendations from Rail Infrastructure Subcommittee

- Rail Projects Update (including budget and expenditures YTD)
- Amtrak Monthly and YTD Ridership Update
- Report on Approved Projects
- Washington County Railroad and Connecticut River Line

13. Adjournment

MOTION by Mike Coates, SECOND by George Barrett, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 3:25 p.m.

Minutes respectfully submitted by M.Riordan, Recording Secretary.

“TO DO” List from 8/24/05 Rail Council Meeting:

1. Staff will forward the Rail Infrastructure Subcommittee report and recommendations to the Rail Council prior to the next meeting. The Rail Council will review and comment on the report.
2. It was suggested the FY06 Rail Projects list include columns showing the amount budgeted for the project and the amount spent to date.
3. A letter of thanks and recognition to the Congressional delegation for their efforts in bringing much needed rail funding to the State of Vermont to be sent from the Rail Council.